NOVA SCOTIA BUDGET ADDRESS UPDATE

FOR THE FISCAL YEAR 2006–2007

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NOVA SCOTIA BUDGET
ADDRESS UPDATE

FOR THE FISCAL YEAR 2006–2007

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FOR THE FIRST SESSION OF THE SIXTIETH GENERAL ASSEMBLY
NOVA SCOTIA HOUSE OF ASSEMBLY

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Introduction

Mr. Speaker, I am pleased to rise and to provide members with an update of the 2006–2007 budget address.

Members will be pleased to know that, as budget speeches go, my remarks today will be relatively brief.

And for good reason.

The budget I am tabling today includes the exact same spending commitments with the exact same time lines as the one I tabled on May 9th.

It was a good budget for Nova Scotians then. And it's a good budget now.

It's good for seniors and students. It's good for families and taxpayers. And it's good for our economy.

An economy that continues to create quality full-time jobs and generate new revenues.

Revenues that we are reinvesting in programs, services, and targeted initiatives that will enhance Nova Scotia's economic growth and social progress.

We Listened and Responded

I say this with confidence, Mr. Speaker, knowing that, to a large extent, the new investments outlined in our budget are supported by Nova Scotians from every region and every walk of life. Nova Scotians who gathered in church basements, legion halls, schools, and community centres to advise us on how we could strengthen our economy and more appropriately respond to the needs of our seniors and students.

And we listened, and we responded with a budget that does just that.

Mr. Speaker, I am not going to reiterate all of the items referenced in my earlier budget address. I do, however, especially for the benefit of the new members of the House, want to put things into context and briefly speak to the highlights of our budget.

First and foremost, it is balanced.

In fact, it is Nova Scotia's fifth consecutive balanced budget, an achievement that has eluded many other provinces.

It is a budget that projects a healthy surplus of $73.5 million that will go directly to the debt. This will further bring down our net direct-debt-to-GDP ratio, which has already dropped by more than 10 percentage points within the past six years, from 48.7 per cent in 1999–2000 to 37.9 per cent this year.

Clear progress, and a clear signal to Nova Scotians and to our creditors that, as each year passes, we continue to put our fiscal house in better order.

A Climate of Greater Confidence

And, Mr. Speaker, it is a budget that continues to create a climate of greater confidence in our economy by

- lowering business taxes and eliminating regulations that stifle business growth
- taking a more focused and proactive approach to skills and trades training
- investing more dollars to promote tourism and to further support our growing arts and culture sector, and
- providing significant dollars to fix our roads and bridges, to make our highways safer, and to build, renovate, or modernize our schools and hospitals.

Helping Individuals and Families

It is a budget that will help tens of thousands of Nova Scotians better cope with the costs and the pressures of day-to-day life.

It rebates the provincial portion of the HST on home energy costs and raises the basic personal exemption so all Nova Scotians pay less tax, and thousands pay no tax at all.

It increases funding to create more affordable housing units, to help income assistance recipients pay for their housing costs, and to help seniors and low-income Nova Scotians with emergency repairs to their homes.

It ensures that the $1200 federal Child Care Benefit benefits young parents and their children to the full extent.

And it kick-starts our commitment to create 1,500 child-care spaces. We will provide ongoing additional funding of $4.7 million a year to child care in Nova Scotia. This is part of our 10-year child care strategy.

As well, beginning on October 1st of this year, our budget will provide as many as 33,000 children from families of modest means with the medicine they need to get better at home. Our Children's Pharmacare Program will not only reduce the emotional stress and financial pressures on thousands of Nova Scotian parents, it will provide the added benefit of reducing unnecessary and costly emergency room visits.

And next year, we will complement our Children's Pharmacare Plan, with the introduction of Atlantic Canada's first working families pharmacare plan. We will do this believing that no Nova Scotian, young or old, should be denied the prescription drug coverage most of us have come to rely on.

Learning Better ... Living Better

Mr. Speaker, our budget not only contributes to a more vibrant economy and provides assistance to individuals and families in need, it provides significant new resources to help our children learn better and live better.

It commits an additional $20.2 million to implement the next steps in our Learning for Life II plan. In addition, it sets aside new dollars to support both students who excel and those who are at risk, by introducing the International Baccalaureate and Opportunities and Options programs into more schools.

These new investments, along with increased funding to implement the recommendations of the Hogg and Black Learners Advisory Committee reports, demonstrate our commitment to help all of our children succeed in school and in life.

Mr. Speaker, we also want all of our children to grow up healthy and stay healthy.

That is why we are more than tripling our Healthy Living Tax Credit, hiring more physical education teachers, increasing the funding for Teen Health Centres, and stepping up our efforts to make our children more aware of the consequences of smoking, alcohol and drug abuse, and risky sexual behaviour.

Mr. Speaker, our budget also recognizes the need to help our post-secondary students better manage and cope with the costs of their investment in a quality education.

That is why our budget introduces Nova Scotia's first Graduate Tax Credit, doubles existing employment and repayment bonuses, reduces parental contribution requirements for Nova Scotia student loan eligibility, and adjusts loan repayment amounts to more affordable levels.

We know the value of a post-secondary education. We know the costs are too high. And we know that we have a responsibility to young Nova Scotians and their parents, and to the future prosperity of our province, to do everything we can reasonably do to make a university or college education more affordable for more of our students.

Mr. Speaker, beyond the need to support young Nova Scotians in getting the education they need and deserve, is the need to provide older Nova Scotians with the care and support they deserve and need.

And what seniors have told us they want and need most is the assurance that they can live as independently as possible, for as long as possible, in the comfort of their own homes.

That is why our budget commits an additional $16 million this year to implement Nova Scotia's first Continuing Care Strategy. A 10-year plan that will expand home support services, add more restorative beds, expand the number of adult day centres, and create 1,300 new long-term care beds.

Mr. Speaker, members will note that every spending commitment made on May 9th is being made again today.

On Course, on Time, on Track

Members will also note that, along with all of the original budget documents tabled before the House dissolved, I have tabled a budget addendum.

Simply put, it is provided to give members and all Nova Scotians the latest and most precise information on the minor changes that have occurred to our economic assumptions and revenue and expenditure projections since the budget was first tabled.

In fact, when all of the most recent economic forecasts and revenue and expenditure projections are factored in, we are projecting a small gain on the positive side of the ledger of $1.6 million.

Again, Mr. Speaker, every cent of this added surplus will be applied to our debt.

Fixing the Fiscal Imbalance

Mr. Speaker, I want to briefly mention an issue that members have been hearing a lot about in recent days, namely equalization.

As members know, equalization is an extremely complicated formula that the Government of Canada uses to redistribute federal tax dollars among provinces.

But equalization is a lot more than just a complicated formula—it is the federal government's constitutional commitment to you and me, every Nova Scotian, and every Canadian that says we are entitled to receive reasonably comparable levels of service at reasonably comparable levels of taxation.

Clearly, that's not been the case.

And clearly, the federal government and all of the provinces and territories face a very difficult challenge in reaching consensus on what is a highly contentious and extremely important issue.

As a government we expect, and will insist, that any changes to the equalization formula be fairly applied, that they do not create an even greater fiscal imbalance between and among the provinces, and that they honour Ottawa's constitutional obligations to Nova Scotians.

Beyond addressing equalization, the Government of Canada has the added obligation to address the broader issue of fiscal imbalance between the federal and provincial governments.

An imbalance the new federal government has acknowledged exists, and has promised to fix.

To that end, Nova Scotia will be calling on Ottawa to provide adequate, predictable, and long-term transfers and to recognize that provinces have differing fiscal capacities and different expenditure needs.

Conclusion

Mr. Speaker, in putting our budget together, we made the best possible decisions, based on the best information and in the best interests of Nova Scotians.

Our budget takes steps to ensure Nova Scotia continues to create quality, full-time jobs in every region of our province.

It will relieve the financial pressures and emotional stress facing many Nova Scotians struggling to heat their homes, to raise their children, or to care for an aging parent.

And it positively responds to the issues that are of most concern to most Nova Scotians: timely access to health care, clean air and water, a first-class education for our children, better roads, and safer communities.

It was a good budget for Nova Scotians on May 9th, and it still is today.

Thank you.

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